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Special Show Coverage

SECOND CLASS

National Home Center News®

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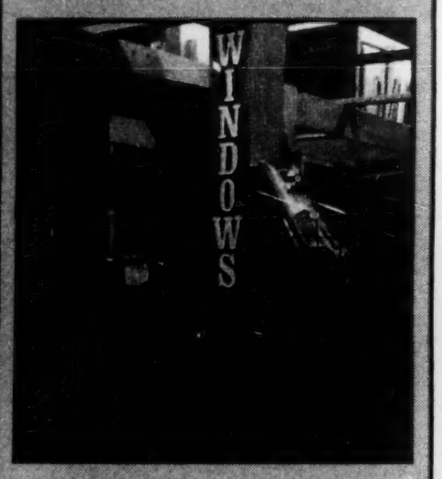
buying & selling



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ServiStar invades the Soviet Union

Member to open 8 units in Moscow by 1991

Smitty's Lumberteria, Alexandria, Va., penned the deal that will bring the first hardware stores to Russia.

By an NHCN staff editor

BUTLER, Pa. — Look closely at the Soviet flag in months to come. You may find a ServiStar logo on the hammer and sickle, because one of the co-op's 3,700 members has just signed a joint venture deal on its behalf with the intention of opening some eight ServiStar units in the Soviet Union by 1991.

The principal partners under this agreement are Nelson Smith, the 65-year-old owner of two-unit Smitty's Lumberteria of Alexandria, Va., and 38-year old Gennady Guretsky, a Russian entrepreneur and director of InterstroyProgress, the engineering and commercial arm of the U.S.S.R. State Building Committee Affairs.

Together, they will distribute American-marketed hand and power tools, hardware, and lumber and building materials through a retail operation, the working title of which is Star Progress.

The agreement, whose financial terms were not disclosed, was signed August 22 at the Hyatt Dulles Airport. Members of the press, and both ServiStar and non-ServiStar suppliers attended.

The retail force will be deployed in three phases:

- Effective September 1, Smith and Guretsky have 30 to 60 days to set up in a product showroom one sku each of a limited number of lines provided by vendors that currently ship ServiStar in the U.S.

The time frame is defined by how long it is expected to take the Baltic Ship Lines to move product by boat and truck from Philadelphia through Leningrad to Moscow.

The showroom, which Guretsky owns, is called The Business Centre, and already displays general merchandise from over 160 different companies worldwide. Russian consumers and professionals

(Continued on page 94)

Top chains pledge their support of Affordable Housing Coalition

By John Caulfield

CHICAGO — Five of the industry's leading retailers have pledged $300,000 over the next three years in support of the Affordable Housing Coalition.

Payless Cashways, Hechinger, Home Depot, Lowe's and Builders Square (through its parent K mart) will each commit $20,000 per year for the next three years to the Coalition, a group of dealers and suppliers dedicated to identifying and supporting private- and public-sector efforts to build affordable housing.

At a morning meeting conducted during last month's Hardware Show, David Stanley, Payless' chairman, said he "fully expected" matching funds from suppliers and fellow retailers. The Coalition's goal is to raise $1 million.

(Continued on page 90)

Local hardware exec turns hero in midst of Kuwait invasion

By John Sinisi

INDIANAPOLIS — A local hardware executive and his colleague were transformed into heroes as a result of the attack by Iraq on Kuwait last month.

Gregory Hauca, director of American operations for a chain of three hardware stores and two hardware-supermarket combination units in Kuwait called The Sultan Center, and Joe Anderson, operations manager for the chain's grocery side and a native of Dayton, Ohio, helped a female health and beauty aids buyer

(Continued on page 9)

Photo: John Starkey/Black Star

Gregory Hauca, director of American operations for The Sultan Center in Kuwait, safely at home with his wife Anne, daughter Laurie and son Christopher.

Somerville names new president

By an NHCN staff editor

WALTHAM, Mass. — A 30-year retail veteran has been named the new president and ceo of Somerville Lumber.

Max Clark will take control of the 10-unit, $200 million chain on Sept. 5. He fills a position vacated by David Cohen, the 36-year-old son of Somerville's chairman Melvin Cohen, who left the company in January for a job as a sales and marketing executive with PlyGem Industries.

Clark, 56, joined Payless Cashways, Somerville's parent company, in March 1988 first as a troubleshooter and then as district manager in Sacramento, Calif., overseeing Payless' Lumberjack stores there.

Prior to that, Clark held senior vp-operations positions with the Builders Emporium and Ole's chains in southern California; he also spent

(Continued on page 90)

National (pg. 6) & Diamond (pg. 94) on the brink

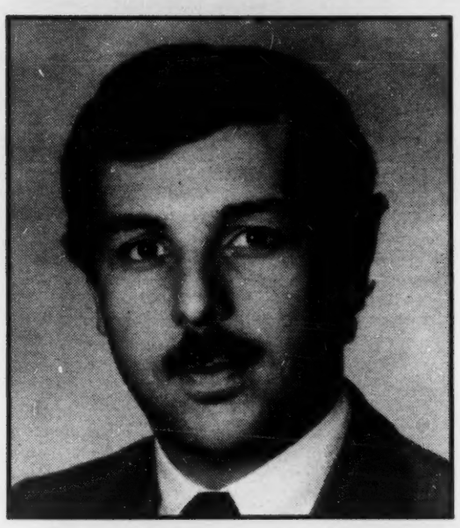
Retailers 'ease the squeeze' of rising health care costs

By Jay Scansaroli

Double-digit escalation in health care costs has home center retailers rightfully worried.

While some report annual increases in the 10 percent range, a rate they attribute to a young and healthy employee population, others expect price tags on their health benefits packages to rise at least 20 percent in 1990. Coming on the heels of comparable rate hikes last year, it is a trend they fear will continue.

Indeed, with industry ex-



Jay Scansaroli

perts tallying the nation's annual medical bill at approximately $540 billion (some 11 percent of the total economic output), leaders of America's most prestigious corporations remain less than optimistic about their ability to contain costs.

So, what's a retailer to do? How can you tighten those health-care screws while still offering competitive health benefits packages? Here are three ways to ease the squeeze:

- Institute more stringent guidelines to existing programs, making them more cost efficient;
- Pass some of the rising costs along to employees;
- Offer the option of a Health Maintenance Organization (HMO) or a Preferred Provider Organization (PPO).

San Diego's Dixieline Lumber has tried all three of the above. For instance, the ten-unit chain, which boasts a very generous health plan, has been extremely progressive and aggressive in offering employees managed-care health plans, reports Warren Hoffman, director of personnel.

The company instituted the more flexible PPO network in 1986, after several years with an HMO option. Today, some 63 percent to 70 percent of the 870 full-time Dixieline employees eligible for health benefits take advantage of the company's PPO program, reports Hoffman.

They can "swing" from the traditional plan to the PPO every time they go to the doctor, he explains, in contrast to the typical one-year commitment one had to make in order to participate in the HMO.

Also in 1986, the company adopted numerous cost-containment features—such as guidelines for second surgical opinions and incentives for outpatient surgery.

While all health benefits—including medical, dental, vision and prescription—were previously available at no charge, in 1986, employees began to contribute $20 a month to cover one or more dependents. This move encouraged employees from two-income households to choose between the Dixieline plan and that of a spouse, thus keeping a lid on unnecessary double coverage.

Despite these farsighted measures, Hoffman projects his health care costs could surge some 23 percent in 1990.

Atlanta-based Home Depot, which provides health benefits to some 12,000 of its estimated 17,000 full-time employees, very recently added a PPO option to its traditional major medical health plan, reports James Murray, director of risk management.

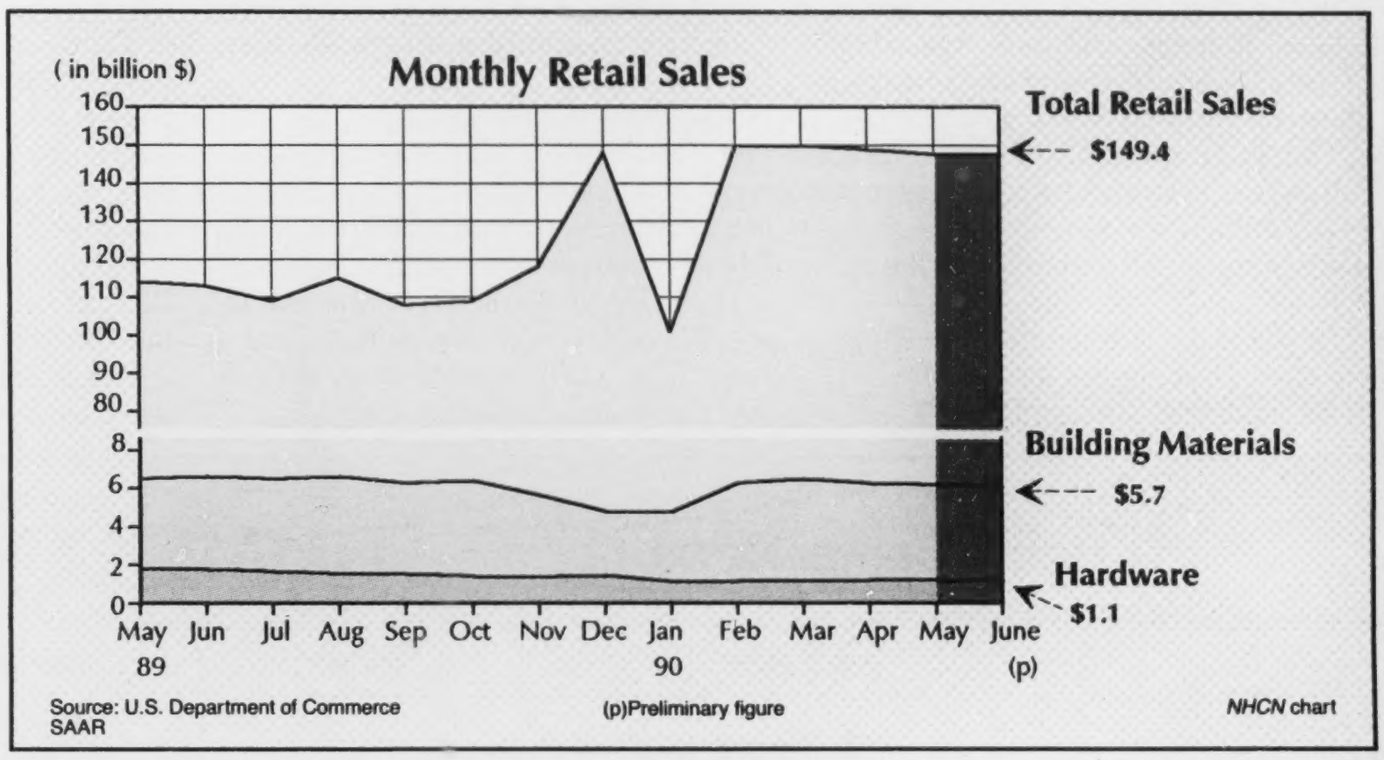
The Home Depot PPO is based on doctor and hospital discounts, ranging from 10 to 25 percent. Employees, who contribute 20 percent under the existing plan, pay 20 percent of that reduced bill when using the PPO.

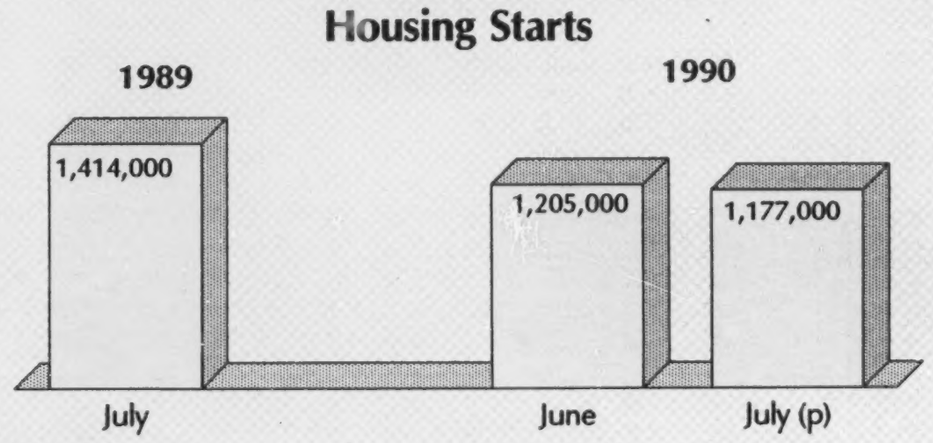
Also designed to ease its employees' increased health-care burden, in January 1989 Home Depot changed the way in which employees enrolled in its major medical plan make their contributions. Previously done on a post-tax basis, they now set aside a portion of their salary, pre-tax, under Section 125 of the Tax Code.

In contrast, Dixieline's Hoffman hesitates to get involved with a Section 125 program, which can be used for benefits ranging from covering deductibles to child care. "It can be a great help," he concedes. "But the government keeps changing its mind. I'm afraid it could become an administrative nightmare." ◆

—Jay Scansaroli is a partner, Arthur Andersen's Retail Practice in New York.

Retail sales in the month of June were up slightly from the previous month, based on preliminary data supplied by the Commerce Department. However, while wholesale sales overall improved marginally, activity in the hardware and building products sectors was off.





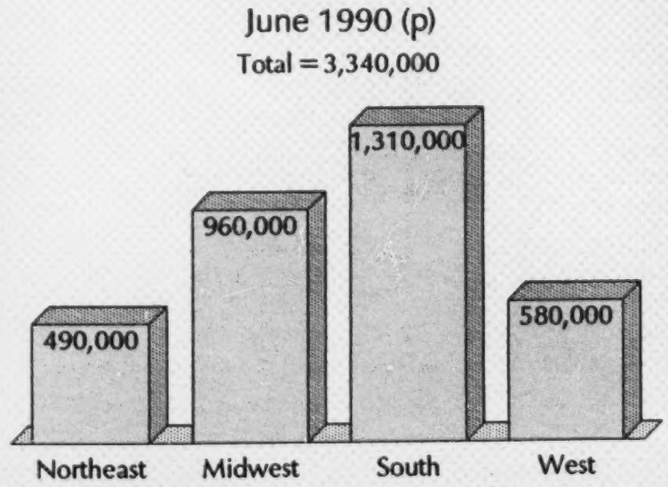
Housing Affordability

	National Total	
	JUNE 1989	JUNE 1990 (p)
Affordability Index Composite*	**99.4**	**102.9**
Median Price Existing Home	$93,500	$97,500
Average Mortgage Rate	10.59%	10.16%
Payment as Percentage of Income	25.1%	24.3%
Median Family Income	$32,895	$34,250
Qualifying Income	$33,085	$33,300

*The affordability index is based on the five criteria listed above.

Source: National Association of Realtors
(p)Preliminary figure
NHCN chart

U.S. Resales



The housing market is still ailing, although resales showed an upward blip in June, with the strongest improvement in the Midwest.

NHCN chart

Downturn in economy no detriment to Depot in second quarter

By an NHCN staff editor

ATLANTA — Despite the nation's slowing economy and the poor performance of many retailers, the Home Depot's second quarter financials show a continued stellar performance.

For the three months ended July 29, the chain's earnings rose 53 percent to $47.2 million, or 39 cents per share. Sales jumped 41 percent to $990 million.

In the first half of 1990, the chain's volume increased 39 percent to $1,871,222,000. Home Depot's earnings performance was equally impressive: its net income was up 51 percent to $85,856,000, or 71 cents per share.

During the latest quarter its stores averaged $612,000 per week in sales, on a weighted basis. The company transacted 28,500 customer sales, which averaged $34.75 per customer, compared to $33.24 in the same quarter a year ago.

For the first six months, the 126-unit company's comparable store sales were up 12 percent and annualized inventory turnover was 6.3 percent—up from 6.2 percent last year.

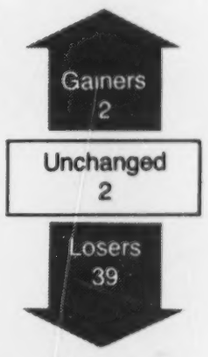
Home Depot opened four stores during the quarter, in Knoxville, Tenn., East Mesa, Ariz., and Thousand Oaks and Santa Ana, Calif.

Mid-East crisis takes Wall St. hostage

The stock market is in free-fall, and home improvement industry issues are feeling the effects.

Only two companies—MacMillan Bloedel and Nortek—showed any gains in their stock price during the two-week period ended Aug. 17, a time when the crisis in the Middle East was clubbing Wall Street.

The irony of these declines is that they rarely corresponded with the financial performance of the companies being tracked for *NHCN* by Media General. For example, for the nine months ended June 30, Catalina Lighting's sales rose 63 percent, and its net income jumped 33 percent; its stock price in the most recent two weeks, when these results were released, fell nearly 32 percent to $5.38 per share.



On the retail side, General Building Products took a severe hit in this period, losing nearly three-fifths of its market value and ending the two weeks at 50 cents a share.

Hechinger A stock managed to stay flat at $10.38, as the chain was about to open its first two warehouse stores in New England.

National Home Center News®

HOME CENTER MARKET SUMMARY

Covering The Period 08/03/90 - 08/17/90

Company (Exchange)	Symbol	STOCK PRICE: High	Low	Close	Change: Amt	Pct	52-Week: High	Low	VOLUME: Total Volume This Period	% Shrs. Outstanding	Average Daily Vol. Last 52 Week	Average Daily Vol. This Period	EARNINGS/SHARE: Last Fiscal Year	Latest 12 Months vs Preceding 12 Months Change: Amt.		Pct	5-Year Annual Growth Rate	Profit Margin	P/E: Latest P/E Ratio	DIVIDENDS: Indicated Dvd. Rate: Amt.	Yield	Last X-Dvd. Date	FINANCIAL POSITION: Last Fiscal Year: Revenue	Earnings	Current Ratio	Last Fiscal Year (Per Share): Long Term Debt	Common Stock Equity	Last Balance Sheet Date
-	-	$	$	$	$	%	$	$	(100)	%	(100)	(100)	$	$		%	%	%	-	$	%	-	$ Mil	$ Mil	-	$	$	-
Retailers																													
Gen Bldg Prods (O)	GBLD	.50	.50	.50	-.69	-57.89	3.50	.50	3	.01	15	0	-.84	-.32	S	NE	NC	-4.0	NE	.00	.0	00-00-00	81.8	-3.3	4.0	5.86	3.17	1189
Grossman's Inc (O)	GROS	5.13	3.75	4.13	-.25	-5.71	8.00	3.75	21,145	8.09	1,639	2,115	.67	-.01	S	-1.9	NC	1.7	8.1	.00	.0	00-00-00	1052.1	17.6	1.8	3.36	4.48	1289
Hechinger A (O)	HECHA	11.38	9.50	10.38	.00	.00	19.63	9.50	7,472	3.65	1,017	747	NA	NA		NA	NA	NA	NA	.16	1.5	07-30-90	NA	NA	NA	NA	NA	NA
Hechinger B (O)	HECHB	11.25	9.50	9.75	-.25	-2.50	19.25	9.50	307	.08	51	31	.88	-.37	Q	-29.1	6	2.5	10.8	.06	.6	07-30-90	1229.6	31.0	2.6	4.63	11.00	0190
Home Depot (N)	HD	37.50	32.00	33.88	-1.13	-3.21	43.50	20.19	72,302	9.42	4,144	7,230	.95	.38	S	47.5	55	4.1	28.7	.12	.4	08-23-90	2758.5	112.0	1.9	2.63	4.45	0190
K mart Cp (N)	KM	32.00	26.13	27.25	-5.00	-15.50	44.88	26.13	58,389	2.92	5,514	5,839	1.61	-2.23	Q	-57.6	3	1.1	16.6	1.72	6.3	08-10-90	29533.0	323.0	1.8	.01	.02	0190
Lowe's Cos (N)	LOW	30.38	25.00	25.63	-1.63	-5.96	49.63	25.00	16,983	4.56	1,514	1,698	2.01	.38	Q	20.8	5	2.8	11.6	.52	2.0	07-11-90	2650.5	74.9	1.9	4.51	17.33	0190
NHD Stores (O)	NHDI	4.00	3.50	4.00	.00	.00	8.50	3.50	202	1.55	29	20	.13	-.61	Q	-81.3	-16	.4	28.6	.00	.0	09-16-86	55.3	.2	2.4	4.87	7.39	0190
Sears, Roebuck (N)	S	32.50	28.88	28.88	-3.63	-11.15	46.38	28.88	82,778	2.41	6,325	8,278	4.30	.53	S	18.1	-1	2.8	8.3	2.00	6.9	08-21-90	53793.9	1508.5	1.8	29.30	39.77	1289
Std Brd Pnt (N)	SBP	10.75	9.63	9.63	-.75	-7.23	17.25	9.63	512	.89	93	51	.36	-.53	Q	-100.0	NC	1.2	NE	.00	.0	09-11-87	314.0	3.7	2.2	26.85	6.59	0190
Strober Organiz (O)	STRB	2.00	1.25	1.63	-.13	-7.14	6.50	1.25	301	.50	45	30	-.21	-.89	S	-100.0	NC	-1.0	NE	.00	.0	00-00-00	127.7	-1.3	3.4	2.79	4.75	1289
Wolohan Lumber (O)	WLHN	17.00	16.25	16.25	-.75	-4.41	19.53	14.75	453	.70	137	45	1.72	-.04	S	-2.2	32	4.1	9.3	.28	1.7	08-27-90	272.1	11.1	3.3	4.03	9.64	1289
Wholesalers																													
Hughes Supply (N)	HUG	13.00	11.50	11.50	-1.63	-12.38	19.88	11.50	385	.83	67	39	1.33	-.68	Q	-34.5	3	1.2	8.9	.36	3.1	07-30-90	529.9	6.4	3.0	16.30	18.25	0190
Manufacturers																													
Am Consumer (O)	ACPI	6.50	5.50	6.00	-.75	-11.11	9.00	5.50	157	.62	47	16	.76	-.03	S	-4.1	35	2.3	8.6	.00	.0	06-08-88	87.8	2.0	5.1	9.62	6.10	1289
Am Woodmark (O)	AMWD	5.75	4.75	5.00	-.25	-4.76	13.13	4.75	203	.29	46	20	.09	-.91	F	-91.0	-17	.4	55.6	.00	.0	05-24-88	154.0	.6	2.0	4.24	4.58	0490
Armstrng Wrld (N)	ACK	32.50	30.25	31.00	-1.13	-3.50	48.00	30.25	12,249	3.29	1,513	1,225	3.44	.52	S	14.9	14	6.6	7.7	1.16	3.7	08-06-90	2512.5	165.9	1.8	4.29	16.72	1289
Black & Decker (N)	BDK	14.25	12.75	12.88	-1.88	-12.71	24.88	12.63	26,227	4.26	2,696	2,623	.51	-2.00	S	-100.0	NC	.9	NE	.40	3.1	09-10-90	3190.3	30.0	1.3	44.64	12.23	0989
Boise Cascade (N)	BCC	38.25	31.25	31.50	-4.88	-13.40	48.00	29.50	34,956	9.21	1,321	3,496	6.19	-2.62	S	-39.1	30	6.2	7.7	1.52	4.8	09-10-90	4338.0	267.6	1.4	38.34	32.56	1289
Catalina Lghtg (A)	LTG	8.38	5.13	5.38	-2.50	-31.75	13.88	5.13	3,629	7.17	215	363	.63	.07	N	12.5	NC	4.8	8.5	.00	.0	00-00-00	54.6	2.6	1.8	.24	4.58	0989
Champ Intl (N)	CHA	27.50	26.00	26.25	-1.63	-5.83	36.88	26.00	54,501	5.86	2,941	5,450	4.56	-1.48	S	-30.0	NC	8.4	7.6	1.10	4.2	09-11-90	5163.2	432.4	1.3	21.78	38.60	1289
Cooper Indus (N)	CBE	43.50	39.88	40.50	-1.50	-3.57	47.00	32.63	16,225	1.48	2,154	1,623	2.51	.29	S	12.2	17	5.2	15.2	1.08	2.7	09-11-90	5129.4	267.8	1.6	16.82	24.75	1289
DeSoto Inc (N)	DSO	45.00	42.50	43.75	-.75	-1.69	48.38	28.00	2,014	4.95	521	201	-2.53	-1.06	S	NE	NC	-2.5	NE	.40	.9	06-21-90	408.2	-10.2	1.3	12.30	21.21	1289
Georgia Pacific (N)	GP	45.25	41.00	42.00	-3.00	-6.67	62.00	38.88	24,118	2.83	2,579	2,412	7.42	.21	S	3.4	41	6.5	6.7	1.60	3.8	08-13-90	10171.0	661.0	2.0	27.00	31.40	1289
La Pacific (N)	LPX	34.25	31.38	31.63	-2.63	-7.66	45.25	31.38	11,012	2.92	1,042	1,101	5.04	.57	S	13.9	43	9.6	6.8	1.08	3.4	08-08-90	2009.5	192.6	3.6	13.93	30.95	1289
Macmillan Bloedel (O)	MMBLF	15.50	15.00	15.50	.13	.81	18.13	13.50	2,732	.27	394	273	1.96	-.95	S	-42.2	NC	7.5	11.9	.80	5.2	08-20-90	2826.8	213.0	11.7	1.45	10.86	1288
Manville Cp (N)	MVL	6.63	6.38	6.50	-.13	-1.89	10.50	6.13	4,124	.86	454	412	1.48	2.05	S	NE	NC	9.0	5.2	.00	.0	00-00-00	2191.9	196.8	1.5	16.77	9.87	1289
Masco Corp (N)	MAS	22.38	20.50	20.75	-1.88	-8.29	29.88	20.50	37,786	2.43	3,022	3,779	1.42	-.59	S	-31.4	5	7.0	16.1	.56	2.7	07-16-90	3150.5	220.9	2.6	7.41	11.94	1289
Mor-Flo Inds (O)	MORF	5.06	4.50	4.50	-.25	-5.26	6.00	4.25	128	.51	11	13	-3.56	-2.08	S	NE	NC	-4.2	NE	.01	.2	12-13-89	212.7	-9.0	2.0	16.50	10.05	1289
Newell Co (N)	NWL	27.63	23.75	24.88	-.88	-3.40	35.50	18.25	18,670	3.16	1,222	1,867	1.41	.39	S	31.0	28	7.6	15.1	.50	2.0	08-09-90	1122.9	85.4	1.6	1.70	7.61	1289
Nortek Inc (N)	NTK	3.38	2.75	3.38	.25	8.00	8.63	2.75	1,762	1.27	199	176	-2.08	-1.94	S	NE	NC	-2.6	NE	.10	3.0	06-29-90	1080.2	-28.5	3.0	28.78	15.65	1289
Owens Corn (N)	OCF	21.50	18.50	18.88	-2.88	-13.22	36.88	18.50	6,721	1.60	1,005	672	4.08	-1.19	S	-24.4	NC	5.7	5.1	.00	.0	00-00-00	3000.0	172.0	1.0	29.76	-10.78	1289
Ply-Gem (A)	PGI	7.13	6.63	6.88	-.25	-3.51	14.13	6.63	1,542	1.47	169	154	.90	-.50	S	-47.2	3	2.0	12.3	.12	1.7	08-13-90	506.8	10.1	3.6	13.74	10.26	1289
Pope & Talbot (N)	POP	21.50	18.88	19.00	-2.75	-12.64	28.38	18.88	2,626	2.23	252	263	3.70	.43	S	13.5	NC	7.0	5.2	.72	3.8	07-24-90	618.8	43.6	1.9	5.73	16.91	1289
Potlatch Cp (N)	PCH	39.63	36.25	36.38	-4.13	-10.19	44.50	32.00	2,755	.95	411	276	4.79	.60	S	13.6	32	11.1	7.3	1.20	3.3	08-13-90	1227.6	136.7	2.7	15.89	28.74	1289
PPG Inds (N)	PPG	51.00	44.75	46.13	-3.88	-7.75	55.25	37.00	23,892	2.20	1,704	2,389	4.18	.12	S	2.8	16	8.1	10.6	1.68	3.6	08-06-90	5734.1	465.2	1.5	10.82	20.98	1289
Rep Gypsum (N)	RGC	3.88	3.50	3.75	-.13	-3.23	5.00	3.38	603	.57	51	60	.23	-.10	N	-43.5	-32	5.0	28.8	.00	.0	02-22-90	48.1	2.4	3.6	.86	3.04	0689
Sherwin-Wms (N)	SHW	36.75	33.75	34.25	-3.13	-8.36	42.13	30.63	9,283	2.15	847	928	2.52	.29	S	12.1	10	5.1	12.8	.76	2.2	08-20-90	2123.5	108.9	2.0	2.43	15.48	1289
Stanley Works (N)	SWK	33.88	30.63	32.00	-2.25	-6.57	40.00	30.63	5,805	1.35	585	581	2.71	.08	S	3.1	9	6.0	12.0	1.08	3.4	06-05-90	1971.5	117.7	2.7	9.68	15.67	1289
Thos Inds (N)	TII	14.25	13.38	13.50	-.50	-3.57	20.88	13.38	774	.76	68	77	2.02	.02	S	1.2	6	4.7	7.9	.76	5.6	08-31-90	436.6	20.6	2.4	11.47	13.59	1289
Union Camp (N)	UCC	37.75	32.50	33.75	-4.75	-12.34	41.38	32.50	18,801	2.73	1,620	1,880	4.35	-.73	S	-16.0	23	10.8	8.8	1.56	4.6	08-28-90	2761.3	299.4	2.0	10.06	25.49	1289
USG (N)	USG	3.25	2.75	2.88	-.13	-4.17	5.63	2.75	9,092	1.65	930	909	.51	-.60	S	-57.1	NC	1.3	6.4	.00	.0	00-00-00	2191.0	28.0	.9	41.75	-26.55	1289
Waxman Inds (N)	WAX	5.63	4.63	5.00	-.75	-13.04	11.00	4.63	542	.54	119	54	.80	.04	N	5.2	31	3.0	6.2	.12	2.4	06-04-90	241.4	7.3	2.5	21.17	2.94	0689
Weyerhaeuser (N)	WY	22.63	20.50	20.75	-2.50	-10.75	32.75	20.50	42,980	2.10	3,477	4,298	1.56	-1.58	S	-55.2	13	3.4	16.2	1.20	5.8	07-30-90	10105.6	341.1	1.4	18.21	20.26	1289

All Data are based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Reporting period
3 mos.—First quarter of fiscal year
6 mos.—First six months of fiscal year
9 mos.—First nine months of fiscal year
Fiscal—Fiscal year
NEW—New report since last issue

Last 52 Weeks

General Field Footnotes
NA—Not available or not applicable
NC—Data required for calculation currently incomplete in our files
NE—Negative earnings invalidate calculations
NM—No meaningful figure
a—Under dividend amount, indicates a stock dividend
b—Indicates cash plus stock dividend when applied to dividend amount column

P/E Ratio—Price/earnings ratio
E.P.S.—Earnings per share

Market
N—New York Stock Exchange
A—American Stock Exchange
O—NASDAQ Over-the-Counter
M—NASDAQ National Market

*Two-week average volume equals the number of shares traded divided by the number of shares outstanding during the latest two-week period. Twelve-week average volume equals the number of shares traded divided by the number of shares outstanding over the previous 12 weeks.

All earnings data and all related calculations using earnings data use primary earnings from total operations and after taxes. Earnings are before extraordinary items, when such items are applicable.

Data and Table Provided by Media General Financial Services Inc., Richmond, Va. 23219

N.Y. distributor opens outlet

(Continued from page 8)

ing and conference rooms and a contractor desk with experienced staff.

There is Keith Smith, for example, a former contractor who does residential take offs, and Harold Foster, with 22 years experience in building pole barns.

But even to the contractor the store has an upscale feel. The octagonal service counter, which also serves consumers, is made of over 100 feet of DuPont Corian countertop, with oak trim, which was hand-routed by a local contractor.

K&B a big part of store

The store also stocks between $30,000 and $40,000 of specialty products, Kohler, Alumax shower doors, Elkay stainless steel sinks and Pace vanities.

The kitchen and bath department is a vital part of the store. It lies across the main aisle from hardware and electricals and occupies 2,000 square feet, displaying nine different kitchens.

"It's laid out like a maze so that the customer's curiosity brings him to the next corner," said Risavi.

There is also a separate ceramic tile center at the back of the department.

Double doors lead from the 17,000-square-foot showroom area into a warehouse which Risavi describes as a "secondary showroom" with lumber, trim, sheet rock, shingles and vinyl siding.

In addition, a covered drive-through area—80 by 380 feet—is stacked with pressure-treated lumber and plywood. Contractors serve themselves and consumers can have the product loaded here and escape the elements.

Now that the store is up and running, Ochs is happy to turn his attention back to the main wholesaling business, which generated $27 million last year. He hopes to open a third treating plant in 1991. ◆

Spacious displays add to the upscale look of Builder's Best's showroom. NHCN photo

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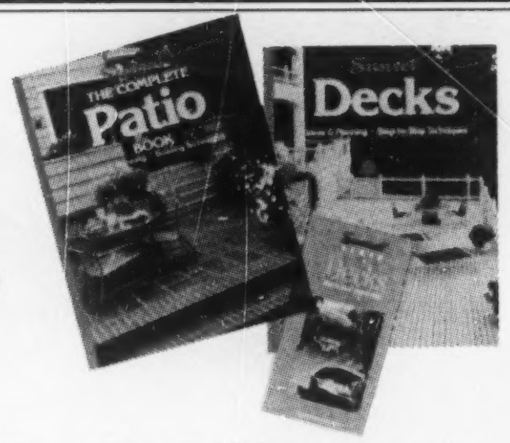

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